



The Voice of Rural Telecommunications

August 15, 1997

The Honorable Reed E. Hundt
Chairman
Federal Communications Commission
1919 M Street, N.W., Room, 814
Washington, D.C. 20554

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Re: CC Docket Nos. 96-45, 97-21
Nomination of Gerry Anderson
for USAC Board

Dear Chairman Hundt:

The National Telephone Cooperative Association nominates Gerry Anderson of Circle, Montana for membership on the Board of the Universal Service Administrative Company (USAC) representing incumbent local exchange carriers with annual operating revenues of \$40 million or less.¹ Mr. Anderson, General Manager of Mid-Rivers Telephone Cooperative, is eminently qualified to provide effective leadership at this critical phase of implementation of the universal service provisions of the 1996 Telecommunications Act. A biographical summary is enclosed which details his substantial relevant experience, knowledge and accomplishments.

Successful implementation of the new universal service support mechanisms envisioned by the 1996 Act and the Commission's orders will be one of the most significant challenges facing the industry for the next decade. The composition of the initial Board of USAC will be a critical element in the success of these new programs. Mr. Anderson has demonstrated that he possesses the technological and management expertise and the commitment to the public interest necessary for this assignment.

While his significant accomplishments during his ten years at Mid-Rivers demonstrate both business competence and community involvement, Mr. Anderson has substantial knowledge of the universal service issues on a national level. During his nine years with the Rural Electrification Administration (now Rural Utilities Service) he was directly involved in the daily challenges of developing communications services in under served areas through the first explicit government program to promote universal service. In his current role as NECA director and Chair of its common line committee, he has dealt successfully with the variety of universal service challenges which arise in various parts of the country.

¹FCC Public Notice of August 1, 1997 (DA 97-1561), *Changes to the Board of Directors of the National Exchange Carrier Association, Inc., Report and Order and Second Order on Reconsideration*, July 18, 1997, FCC 97-253.

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Once the USAC and other new organizations have become established it may make sense to broaden the representation of all industry segments, including ILECs. However, at this critical juncture, direct and continuing experience with NECA operations will be vitally important to ensure effective coordination and minimize the reinventing of wheels. Mr. Anderson is uniquely qualified to fill this role as a result of his broad experience with REA, a two very rural carriers, NECA, and a variety of national and local organizations..

For the foregoing reasons, NTCA strongly urges the appointment of Gerry Anderson to the USAC Board. I am, of course, available to respond to any questions you may have.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'David Cosson', written over a horizontal line.

David Cosson
Vice President
Legal and Industry

Enclosure

cc: Gerry Anderson

IDENTIFICATION

Name: Gerry Anderson

Current position: General Manager

Company name: Mid-Rivers Telephone Cooperative, Inc.

**Positions held and length
of time at each position:**

General Manager
Mid-Rivers Telephone Cooperative, Inc.
Circle, Montana
Sept. 14, 1987 to present

Financial and Office Manager
Garden Valley Telephone Company
Erskine, Minnesota
February 1983 to September 1987

Accounting Supervisor
Garden Valley Telephone Company
Erskine, Minnesota
March 1981 to February 1983

Chief, Operations Branch, Southeast Area
Telephone Operations Field Representative
Texas and Louisiana
Rural Electrification Administration
Washington, DC
1977 to 1981

Public Utilities Specialist
Rural Electrification Administration
Huntsville, Texas
1972 to 1977

ACHIEVEMENTS

Achievements and contributions to Mid-Rivers Telephone Cooperative:

Gerry Anderson was hired by the Mid-Rivers Telephone Cooperative Board of Trustees in 1987 at a time when it faced several internal and external concerns requiring immediate action. He changed the cooperative's direction from short-term resolutions to long-term planned solutions.

As general manager, Mr. Anderson pointed Mid-Rivers in the direction of establishing itself as a technological leader in the telecommunications industry. This is accomplished despite Mid-Rivers' high-cost environment that includes a sparse population base throughout a vast service area.

By staying abreast of technological advances, Mid-Rivers is forging a new economic path into Local Exchange Carrier (LEC) revenue sources, such as Internet, cellular and long distance. With a reduction in traditional LEC revenues after the passage of the Telecommunications Act of 1996, Mr. Anderson is directing Mid-Rivers' entry into new revenue streams.

Mr. Anderson praises the quality of Mid-Rivers' employees and admits that Mid-Rivers' accomplishments result from their work under his direction.

The following changes occurred at Mid-Rivers Telephone Cooperative during the past decade with Mr. Anderson as its general manager:

- With the acquisition of six additional exchanges from US West Communications, working access lines doubled from about 5,000 in 1986 to over 10,000 in 1996. In 1987, the total number of access lines were dropping. Today they are increasing.
- The size of the Mid-Rivers' service area grew to over 27,000 square miles, making the cooperative the largest in the contiguous United States. Mid-Rivers operates over 9,200 route miles of telephone line.
- Video services (cable TV, C-band and DBS) grew to 3,200 subscribers.
- Cellular service went on line for Mid-Rivers on Jan. 1, 1997 with eight new towers. By mid-year, Mid-Rivers had over 1,250 customers.
- Internet service began over two years ago. Today Mid-Rivers is closing in on 1,000 Internet customers.

- Mid-Rivers' net margin went from \$380,588 in 1986 to \$3,720,453 in 1996. Mid-Rivers' subsidiary, Cable & Communications Corporation, showed a 1986 net loss of \$185,747, while it enjoyed a 1996 profit of \$201,293. Long-term debt went up by only 61 percent in 10 years for Mid-Rivers, while equity rose from 34.7 to 50.1 percent for the decade.
- On Aug. 4, 1997, \$1.1 million in capital credit checks will be mailed to Mid-Rivers Cooperative members. Over the past decade, close to \$12 million in capital credits were returned to Mid-Rivers members.
- The number of Mid-Rivers employees went from over 100 in May, 1987 to 77 employees on Jan. 1, 1997. This occurred with an increase in facilities and revenues over the 10-year period.
- Mid-Rivers was the first telecommunications provider in Montana to provide a region-wide interactive television network between high schools, community colleges and four-year universities, which now provide college degree opportunities to eastern Montana residents.
- All 27 central offices have been upgraded to digital switch service, giving Mid-Rivers Telephone Cooperative members SS7 capabilities. Two new EWSD switches are currently being installed in 1997, enabling future ISDN capabilities for Mid-Rivers members.
- Outside plant facilities were upgraded with over 1,000 miles of fiber optic cable going into the ground.
- A new Defense Switch Network (DSN) lease in 1990 replaced a month-to-month lease with the U.S. Department of Defense's AUTOVON Network. An AT&T 5ESS switch, installed in 1991, tripled Mid-Rivers' DSN capacity. Mid-Rivers is the only telephone cooperative in the world providing DSN service. Mid-Rivers' fiber optic cable will link with North Dakota cable in 1997.
- Mid-Rivers established itself as one of the first Competitive Local Exchange Carriers (CLEC) to provide competitive telecommunications services to US West customers. In April 1997, Mid-Rivers signed up 90 percent of Terry, Montana residents, who will be given Mid-Rivers' telephone and cable television service in September 1997.
- Mid-Rivers developed joint ventures with neighboring rural telephone companies, creating entities such as Montana Advanced Information Network (MAIN), a long distance and data carrying organization that allows Mid-Rivers to become a long distance provider on Sept. 1, 1997.
- Mid-Rivers recently obtained Personal Communication Services (PCS) licenses and will provide PCS service in 1998.

Achievements and contributions to telecommunications industry:

Mr. Anderson has held the following national, state and local telecommunications positions:

- Board member of the Western Rural Telecommunications Association.
- Served on the National Exchange Carriers Association's (NECA) Board of Directors since January 1993.
- Chair of NECA's Common Line Committee
- Member of NECA's Traffic Sensitive, Billing and Collection, Audit, Lifeline and Universal Service, Budget and Finance and Communications Committees.
- Served on the National Telephone Cooperative Association's (NTCA) Industry Affairs, Futures and the Government Relations Committees.
- Won the NTCA Public Relations Award in 1992.
- Served on the original NTCA Foundation Board for Rural Service.
- Member of the Western Alliance Universal Service Committee.
- Served on the United States Telephone Association's government relations and nominating committees.
- Past board member of the Rocky Mountain Telecommunications Association.
- Present board member and former director of the Montana Cable Television Association.
- Present board member of the Telephone Exchange Carriers of Montana.
- Director of the Montana Statewide Access Pool.
- Served on the Montana Telephone Association's (MTA) Legislative, Reorganization and Transition Committees. Past member of MTA Acquisition Group.
- Received the Technology Award in 1992 from Siemens Stromberg-Carlson.
- Received the 1993 Glendive Area Employee of the Year Award.

Special services rendered, contributions made, and leadership positions held at the national, state and local levels:

Mr. Anderson has made the following leadership contributions:

- Member and chairman of local township board.
- Member of the local school board.
- Member of the county's planning board.
- Director of local chamber of commerce.
- Director of Inter-County Low Income Assistance Board.
- Director of local medical center board.
- Member of Job Service Employee Committee.